

From: Jim Donnell
Sent: Wednesday, July 22, 2009 7:44 AM
To: comment, cotce
Subject: Please SERIOUSLY review and consider the FairTax

Dear COTCE commission,

It is my understanding that your commission is currently reviewing the California state tax system and looking at different proposals for California. It is also my understanding that you are seriously considering a Flat tax and/or VAT tax.

I urge you to take a serious look at the FairTax proposal.
(<http://www.fairtax.org>) This is a proposal before our national congress but would work very well for California. Unlike a VAT tax, the FairTax would bring businesses back to California while NOT increasing the cost of goods produced in California. A VAT tax is a really BADidea. The FairTax is also much better than a Flat tax as it is based on consumption rather than income and extends the tax base to include shadow economies such as illegal drugs, prostitution as well as anyone working for cash and not reporting income. A Flat tax would not capture any revenue from these shadow economies.

Please take a serious look at the FairTax.

Sincerely,

Jim Donnell
Cameron Park, CA